



MEMORANDUM

TO: Dennis Fay
Alameda County Congestion Management Agency

FROM: Jim Copeland and Emily Bacque
CJ Strategies

DATE: October 31, 2008

RE: Legislative Update

Economic Stimulus

The House Transportation and Infrastructure Committee held a hearing on October 29, which focused on possible infrastructure elements for a stimulus package. There were three panels with a total of eighteen witnesses from various levels of state and local government, highway and transit groups, manufacturing, engineering, and economics all advocating for a massive investment in infrastructure. Chairman Oberstar said that an infrastructure component would generally follow the outlines of the stimulus package that passed the House in September, which included \$12.8 billion for highways and bridges and \$4.6 billion for transit. Chairman Oberstar also said this new stimulus would include higher funding levels than the first package. Ranking Republican John Mica agreed with the need for targeted infrastructure spending to act as a job-creating stimulus, but warned that Republicans would oppose a package loaded up with earmarks.

Although there have been no official announcements from House leadership, we are hearing a House lame duck session is looking more and more likely. The House Democratic leadership is planning a session for November 17-21 (the same time as the Senate session), with a vote on the stimulus package most likely to occur on November 17 or 18.

President Bush and Senate Republicans have opposed the idea of a second stimulus, instead wanting to focus on implementation of the \$700 billion financial services rescue plan. However, in the last few weeks the administration has said it is open to discussing a stimulus bill but reiterated opposition to many of the proposals advanced by Democrats.

Speaker Pelosi and Majority Leader Reid have mentioned a package in the range of \$150 billion. Democrats continue to say a package should include funding for infrastructure projects (According to the Department of Transportation, a \$1 billion investment in

transportation infrastructure can generate over 47,500 jobs.) The American Association of State Highway Transportation Officials (AASHTO) compiled a list of more than 3,000 projects earlier this year. The list includes twenty-eight California projects totaling \$800 million.

Senator Boxer also held a news conference on October 29, in San Francisco to discuss the need for an infrastructure component in a Senate stimulus package. She said CALTRANS has identified over 20 highway projects that are ready-to-go and total over \$730 million.

We will continue to update you as details become available for the House and Senate packages.